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CENTRAL INTELLIGENCE BULLETIN



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DAILY BRIEF

I. THE COMMUNIST BLOC

OK
 *USSR: The heaviest concentration of party presidium members to appear in Moscow since the party congress last February was on hand for the opening of the All-Union Industry and Agriculture Exposition on 16 June. The American Embassy reports that all but one of the members who reside in other cities were accounted for at the ceremony. The top leaders may have gathered for preliminary discussions on the business of the central committee plenum which is scheduled to meet on 24 June to deal with domestic economic topics. The embassy points out, however, that the Soviet censor passed a Western correspondent's dispatch to the effect that Khrushchev met on 14 June with members of the presidium to discuss new instructions for Gromyko, suggesting that the presidium is discussing developments at the Geneva conference.

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Watch Committee conclusion--Berlin: (No significant indications bearing on the possibility of hostilities.)

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NO

II. ASIA-AFRICA

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Watch Committee conclusion--Middle East and Asia: Situations susceptible of direct exploitation by Sino-Soviet action which would jeopardize US interests exist in Laos and in the Middle East, particularly in Iraq and Iran. The situation in the Middle East remains precarious, but a deliberate initiation of large-scale hostilities is unlikely in the immediate future.

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OK South Korea: According to the leader of the major opposition party, top leaders of the ruling party agreed with him at a meeting on 15 June that South Korea's hostile policy toward Japan must be modified. These leaders probably feel that Japan's apparent determination to permit the voluntary repatriation of Koreans in Japan to North Korea indicates a hardening of Tokyo's attitude toward Seoul, and that continued South Korean intransigence would only reduce the likelihood of a settlement of Japanese - South Korean differences on terms favorable to Seoul. It is doubtful that such views would be communicated to President Rhee. [REDACTED]

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III. THE WEST

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OK Dominican Republic: Trujillo's forces have not yet succeeded in completely rounding up a small group of insurgents in the mountainous interior, and there are signs of discontent in the navy. Insurgents who have been captured since the 14 June incursion claim that they were flown from Cuba and that two boatloads of additional men are en route from Cuba. These may have already landed somewhere on the northern coast. [REDACTED]

NO *Argentina: President Frondizi on 17 June rejected an army demand, presented by five ranking generals, for the dismissal of the Army Secretary, General Solanos Pacheco. Frondizi did, however, agree to dismiss Assistant Secretary Reimundez and in so doing may have temporarily relieved the crisis within the

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DAILY BRIEF

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army. Reimundez has been replaced by General Rosendo Fraga, formerly a commander in the Cordoba area, where army units are severely disaffected. [REDACTED]

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OK *Costa Rica-Nicaragua: President Echandi was warned on 17 June by the leader of a substantial military force of irregulars in Costa Rica that the irregulars are ready to attack Nicaragua and that if Echandi attempts to stop them there will be "plenty of trouble in Costa Rica." Fragmentary newscasts from San Jose later in the day suggest that Echandi, despite the warning, was deploying troops in an effort to prevent any attack on Nicaragua from Costa Rica. If the revolutionary force in Costa Rica should try, it could not by itself defeat the 5,000-man Nicaraguan National Guard. However, the Somoza regime is also faced with the threat of further rebel incursions from Honduras in the north. [REDACTED]

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South Korean Leaders Have Second Thoughts on Policy Toward Japan

Top leaders of both the ruling Liberal party and the opposition Democratic party are concerned over the possible disastrous effects of President Rhee's intransigent policy toward Japan, according to Democratic leader Cho Pyong-ok. Cho says that President Rhee's chief political lieutenant, Yi Ki-pung, along with some other top Liberal leaders, believes that a change in policy toward Japan is necessary; Cho furthermore has informed American Ambassador Dowling that unless the government's Japanese policy is changed "promptly" the Democratic party will have to withdraw its bipartisan support.

Such concern probably reflects a realization by responsible South Korean leaders that Japan's apparent determination to permit voluntary repatriation of Koreans in Japan to North Korea indicates a hardening of Tokyo's attitude toward Seoul and that South Korean intransigence is reducing the likelihood of a settlement of Japanese - South Korean differences on terms favorable to Seoul. Ambassador Dowling has interpreted a South Korean request for American good offices to dissuade Tokyo from carrying out its repatriation plan as an admission of South Korea's helplessness, despite its rash threats.

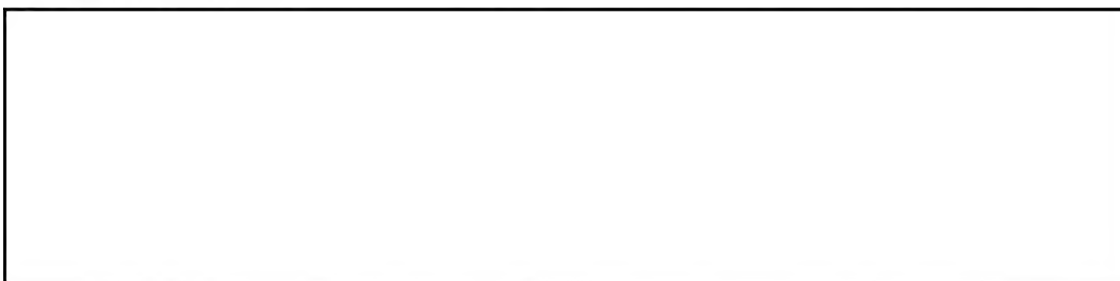
There has been no indication, however, that President Rhee is prepared to modify his demands for a normalization of relations with Japan. Following a meeting of top political leaders of both major parties on 15 June--at which it was agreed that President Rhee should be advised of the urgent need for a change in policy--Cho Pyong-ok told Ambassador Dowling that he doubted this would be done since no one dared make such a suggestion to Rhee.

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III. THE WEST

Fighting Continues as Dominicans Expect New Landings

Ambassador Farland reported on 16 June that fighting continues between Dominican forces and a small group of insurgents in the mountainous interior and that there are signs of discontent in the navy. According to the government, insurgents captured since the 14 June incursion claim that they were flown from Cuba and that two boatloads of additional men are en route from there. A Cuban press report of 16 June said "uprisings" had taken place in the Monte Cristi and Puerto Plata areas on the northern coast. Dictator Trujillo's government has expressed confidence that there will be an early end to the "skirmish." It has acknowledged some apparent collaboration between the garrison at Constanza--site of the air landing--and the insurgents, and has made numerous arrests. New landings are expected by the government.



On 15 June a Dominican official said that his government had no intention then to request assistance from the Organization of American States.

The 14 June incursion followed several weeks of strained relations among Caribbean nations which resulted in Venezuela suspending diplomatic relations with the Dominican Republic on 12 June. The Cuban Embassy in Ciudad Trujillo was closed on 5 June, and a complete rupture of diplomatic relations is expected momentarily,



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Costa Rican President's Neutrality in Nicaraguan Affair Leads To Threat Against His Government

Frank Marshall, Costa Rican revolutionary veteran, warned President Echandi on 17 June that he has a substantial military force in the country ready to attack Nicaragua and that if Echandi attempts to stop it, "there will be plenty of trouble in Costa Rica." The President immediately called in his cabinet and the leaders of various political parties. Fragmentary Costa Rican news-casts have subsequently indicated that, despite the threat, Echandi may be sending elements of the Civil Guard to prevent an attack on Nicaragua by Marshall.

Echandi's efforts to maintain neutrality in the Nicaraguan affair have been highly unpopular in Costa Rica, where public opinion strongly backs the Nicaraguan opposition. Former President Jose Figueres' partisans, who dominate the legislature, have openly supported the Nicaraguan rebels and Figueres is believed to have aided the Nicaraguans who took part in the ill-fated invasions of 31 May and 1 June. However, Figueres could not back Marshall's threat without negating the basis of a political creed that has gained him wide prestige throughout the hemisphere. Marshall, [REDACTED] is capable of violent action, but would have little support for an attempt against the Costa Rican government.

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If Marshall's forces succeeded in invading Nicaragua they probably could not be themselves defeat the 5,000-man Nicaraguan National Guard. However, the Somoza regime is faced with the threat of further incursions from Honduras in the north.

[REDACTED]

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